

## **Local Agency ARRA Project Guidance**

- The federal economic stimulus funds are not grants to be given directly to local agencies. These funds will be received through a reimbursable process, whereby either IDOT or the local agency provides the initial funding required for each project. Once the FHWA has authorized the funds for the project (within the deadlines listed in the economic stimulus legislation) and work is actually under way, IDOT or the local agency pays the bills and then requests and receives reimbursement from the federal government for the federal share of the project.
- Even though the economic stimulus is intended to be accomplished within a limited timeframe, the same federal guidelines and procedures for the use of federal funds will be required. FHWA will not implement any shortcuts for expediency throughout the various phases of the funded projects.
- Economic stimulus projects must go through three phases, and comply with the National Environmental Policy Act of 1969 (NEPA) in all phases, before a project is completed: Phase I (Planning), Phase II (Design), and Phase III (Construction).
- Highway construction projects utilizing stimulus funds will need to be located on federal-aid routes functionally classified as rural major collectors or higher
- Each project that has not been previously published in the IDOT Multi-Year Highway Improvement Program will have to be amended to the current FHWA Statewide Transportation Improvement Program (STIP) in order to meet public involvement policies for federal authorization. This process involves the lead local agency publishing the project in a local publication (i.e., a newspaper) for a 15-day public comment period. If, after that time, there has been no negative feedback on the proposed project, IDOT is notified and then requests FHWA to approve this project to be amended into the current STIP.
- The economic stimulus funds will be provided at a 100% funding ratio; no local matching funds will be required. However, the local agency will not be allowed to exceed the dollar amount of its economic stimulus allotment. Therefore, if the total project costs exceed the economic stimulus allotment, the local agency will be required to utilize other funding sources (including their regular federal allotments) to accommodate any funding shortfall.